Sourcing Health Innovations: Insights for Funders, Accelerators, and Networks

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Executive Summary
EXECUTIVE SUMMARY

PURPOSE

We drew on a decade of experience at Innovations in Healthcare and spoke with leaders in other organizations to identify best practices and lessons learned for sourcing health innovations globally.

Sources:

Funders  Accelerators  Networks
STAGE 1: PREPARATION

1. Be clear about who and for what you are sourcing
   - Identify specific geographies, growth stages, team backgrounds, disease areas, and/or innovation types you want to target
   - Develop clear, objective criteria that are easily understood

2. Consider portfolio balance
   - Prioritize diversity or commonalities and define the key characteristics

3. Articulate the value proposition for innovators

4. Stay familiar with the landscape, including key developments and relevant leaders and networks
STAGE 2: GET THE WORD OUT

1. Leverage your existing networks and connections
   • Referrals from former participants are often the best applicants
   • Set up annual calls with key contacts to ask which innovators stood out this year

2. Create new leads by breaking into unfamiliar territory
   • Reach out to new networks, organizations, and leaders for ideas outside of your typical orbit

3. Develop a proactive strategy if sourcing in low- and middle-income countries (LMICs)
   • LMIC-based teams may need additional support in the application process

4. Calibrate your net to the scope of your criteria
   • For broad selection criteria, cast a narrow net; perhaps work directly through a partner network
   • Conversely, cast a wide net if your selection criteria are narrow
STAGE 3: SELECTION

1. Identify the best timing and keep it consistent across cycles
2. Ask applicants to be specific about execution: how will they achieve results, which outputs and outcomes are important to them
3. Apply a multistage application process to identify poor-fit candidates early, saving time for reviewers and applicants
4. Include subject and regional experts to assess innovators
5. Speak with finalists to clarify any questions and ensure selection decisions are not based on misunderstandings
6. Conduct due diligence and validate claims of finalists
EXECUTIVE SUMMARY

OVERARCHING INSIGHTS

1. Prioritize collaborative approaches to sourcing and selection
2. Iterate your approach as you identify what works (and what does not) for your organization
3. Define subjective terms (such as “innovation” and “growth stage”)
At Innovations in Healthcare (IiH), we have been sourcing promising social enterprises in the field of healthcare for 10 years. IiH was a founding partner of the Social Entrepreneurship Accelerator at Duke (SEAD) and led selection of the SEAD cohorts. Our process has changed over the years as we have learned what does (and does not) produce the best results.

This deck synthesizes lessons learned from our own work, as well as the experiences of our partners and collaborators, over many years. We draw on this analysis to provide actionable insights to improve the innovation sourcing strategies of funders, accelerators and networks. The focus is on health innovation, but the lessons can be broadly applied across other sectors.
METHODOLOGY

For this analysis, we interviewed current and former team members at LiH involved in innovator selection for the last decade. We also identified and interviewed senior leaders in seven other funding, accelerator, and network organizations to validate and expand our internal findings.

We used thematic analysis to identify patterns in the interview data and translate these into insights for the broader field. We present the resulting findings and recommendations in this deck.
IIH SOURCING PROCESS

**PREPARATION**
- Identify sourcing priorities (e.g., geographies, health categories)
- Clarify and define selection criteria
- Finalize application materials

**GET THE WORD OUT**
- Scout for relevant innovations during trips and events
- Outreach to partners
- Look for new sources of growth-stage innovation (e.g., awards, funding programs, networks)

**SELECTION ROUND 1**
- Internal review of Round 1 applications
- Identify subset of finalists

**SELECTION ROUND 2**
- Internal and external review of Round 2 applications
- Interviews with finalists
- Check references, conduct due diligence
- Make final selections

**ONBOARD**
- Announce new cohort
- Orientation, including introduction to team and network

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**USAID**

**Duke**

**Social Entrepreneurship Accelerator at Duke**
STAGE 1: PREPARATION
Be clear about what you want

Have clear intentions about the results of your sourcing process. Consider disease focus, geography, growth stage, for-profit/nonprofit status, and team background. Have clear, objective criteria that will be easily understood by both applicants and reviewers.*

Make sure these criteria are known to your sourcing partners, your applicants, and to everyone on your team involved in review and selection.

This clarity will help you get more of the right applications and fewer applications that do not fit. Having a shared understanding of these metrics from the beginning will streamline the review and selection process.

*Read more about SEAD’s pivot to objective evaluation criteria in *Decoding the ABCs of Effective Enterprise Acceleration.*
Be intentional about portfolio balance

Will you emphasize commonality or diversity across your portfolio? Why? What criteria and metrics will you use to balance? How will you find innovators that meet these criteria?

Having some cohort characteristics in common (such as sector, stage, or geographic alignment) helps facilitate robust peer relationships. On the other hand, having direct competitors within one cohort can be a barrier to peer learning.

Understand that different types of innovators (e.g., for-profits vs nonprofits, development stage vs market entry stage) will have different needs and will need to be measured differently. Do you have the capacity to offer diversified support?
Have a clear value proposition

Be able to articulate what your funding program, accelerator program, or network will offer innovators. In addition to money, this could include coaching, cohort collaboration, network connections, or external validation from a known brand.

Sharing this value proposition with potential applicants will help attract more of the best-fit organizations to apply for your program.

For IiH, the value proposition includes regular coaching calls with our engagement team, network connections, peer support, and topical learning and action groups. Other experts we interviewed about sourcing noted that their programs provide funding, technical assistance, cohort collaboration, corporate partnerships, and legitimacy from their brands.
Know the landscape

It is important to understand the overall landscape from which you will be sourcing. This will help give you a better idea of perspectives you may be missing among your current connections and networks.

Innovation landscapes are dynamic, requiring ongoing scouting and partner sourcing. Attend relevant events and keep an eye out for new collaborations, awards, and funding programs. Stay on top of the latest developments, both good and bad, in your priority areas.
STAGE 2: GET THE WORD OUT
Leverage your existing networks and connections

When looking for new innovators to add to your portfolio, existing networks and connections are your most valuable resource. Set up annual calls with sourcing partners to ask which innovations have most impressed them in the past year and where you should look. Talking to the right people can have an exponential effect, as each new connection can potentially introduce you to several more.

Referrals are also a good strategy. The SEAD team found that the strongest applications were often those referred by funders or other SEAD ventures. Ask your current awardees and members to nominate innovations they would like to see in the program. Look for hand-off partners: are there funders or incubators targeting an earlier growth stage that could refer their alumni to your program?

Another option is to search within existing networks. For the Pfizer Foundation’s Global Health Innovation Grants (GHIG) program, the Foundation sources primarily through the IiH network. By partnering with IiH, the Foundation is able to source from a pool of vetted innovator organizations that are likely to meet the GHIG criteria.
Go outside your normal networks

Identify gaps in your existing networks and connections and tap into organizations and experts who can bring new perspectives.

Relying only on existing connections can result in an echo chamber, and you may not realize what you are missing. Scan relevant journals and editorial boards for ideas and experts and attend annual meetings of relevant organizations. Reach out to new individuals; don’t be afraid to cold call or email to request a brief meeting. Most people are happy to help.
Global sourcing needs a global strategy

One lesson we have learned over the past 10 years is that projects with local ownership are more likely to scale sustainably. But sourcing teams based in low- and middle-income countries (LMICs) requires a different strategy. This lesson was echoed by many of the organizations we spoke with.

LMIC-based teams often start from a disadvantage in terms of time and resources to write a competitive grant application, relative to their high-income country (HIC) peers. Add in language and cultural barriers and it is no surprise that HIC-based innovations are likely to rank higher in the selection process.

To address this issue, some funders and networks have taken a ground-up approach, establishing regional offices or making frequent site visits to priority countries to build strong local relationships and networks. One funder we spoke with holds meet-and-greet events and provides support in the application process to encourage innovation teams in the target regions.
Calibrate your net to your selection criteria

Sourcing from too wide a pool, or sending out an open call for proposals, can result in a more complicated and time-consuming review and selection process. Conversely, limiting the pool too early may result in too few applications, and by extension a lower-quality portfolio.

If your selection criteria are broad, narrow your pool. Utilizing existing formal networks (such as the Pfizer Foundation sourcing through IiH) can provide access to a pre-filtered group of candidates who are more likely to meet the criteria and help limit those applications from those who do not.

If your selection criteria are narrow and specific, cast the widest net you can. Work with multiple networks, use partners on the ground, and consider an open call approach.

The narrower the sourcing focus, the broader the net will have to be to get the right number of applications.
STAGE 3: SELECTION
Timing matters

It is helpful for applicants and referral partners if the timing of the application process remains as consistent as possible year to year.

One funder that we interviewed noted that in the early years of their funding program, the timing of their annual request for proposals fluctuated every year. Applicants reported that this affected their ability to respond and the unpredictable timing appeared to impact the quality and quantity of proposals. The funder has since moved to a more consistent timeline each year.

Consider whether you want to tie selection to another process or event. Do your reviewers already convene for another meeting? Do you want to introduce your new cohort in an annual report? Plan the sourcing cycle around synergistic events when possible.
Get specific about execution and impact

Sources we spoke with agreed that applications often focus on the need the project will address but lack specificity about the *how*. Asking for more information about the intervention, specific and measurable goals, and success metrics prompts applicants to think more carefully about this early in the process and helps reviewers identify the best-fit projects.

One funder we interviewed noted that the biggest improvement in their sourcing strategy came as a result of asking more specific questions about project objectives and anticipated outputs and outcomes. They provided tools to help applicants develop a monitoring and evaluation (M&E) plan during the proposal stage. This resulted in more clarity on how projects would be executed and helped to streamline the reporting and evaluation process for funded projects.
A multistage application process can save time

If using an open-call approach, a multistage application process can improve efficiency for applicants and reviewers.

IIH uses a two-stage process. The Round 1 application is short, with about 10 “make or break” questions used to filter out applicants that do not fit the selection criteria. The Round 2 application is more detailed and time-intensive for applicants. This two-step approach limits the number of full applications reviewers will have to evaluate, without limiting the number of high-quality applications they may receive.

An accelerator model we spoke with found that moving to a multistage application process cut their reviewer time down significantly, giving them more time to get to know the finalists and conduct due diligence.
Consult the experts

Seek opinions of experts outside of the internal selection team. This may mean developing a formal external review committee or identifying a few experts for target geographies, innovation types, or health areas who can weigh in on finalists.

Ask experts to assess whether the proposed project or innovation makes sense for its context, appears feasible, and will address a significant need. Are there gaps that the selection team has missed? What questions remain for the applicant?

The SEAD team found that they were less critical of innovations in fields with which they were less familiar. Bringing in subject matter and regional expertise provided important context to better assess innovators’ characteristics and needs.* Live discussion among reviewers can also clarify and align perspectives in a subjective process.

*Read more about SEAD’s pivot to external reviewers in Decoding the ABCs of Effective Enterprise Acceleration.
Speak with finalists during the selection process

In the first round of SEAD selection, the team found that written responses in a standardized application were insufficient to determine scaling stage or priority needs. We incorporated calls with finalists into the selection process, allowing the team to assess strategy and challenges in a more effective way.

Follow-up conversations also provide an opportunity to clarify any questions that may have come up during the review, to ensure that selection decisions are not based on misunderstandings.
Validate innovator responses

After speaking with innovators or reviewing applications, conduct due diligence to validate innovator responses about competitive advantage, pricing, customer interest, and impact data. This can include:

- Reference checks with current funders and partners
- Showcasing a concept to market influencers for initial reactions
- Conducting primary and secondary market research
- Secret shopping
- Reviewing impact data and methodologies
A collaborative approach to sourcing works best

LiH has a core team to lead the sourcing and review process. However, the broader LiH team and external stakeholders also provide support and content expertise.

Other leaders we spoke with described leveraging the strengths of partners to improve sourcing pipelines, geographic reach, due diligence, market intelligence, and selection.
Measure, learn, and iterate

When developing a sourcing strategy, make sure to include success metrics so that you will be able to evaluate what works and what does not work for your organization.

Over time, you may choose to iterate based on the lessons learned. However, don’t make major changes too frequently. Once you have developed a sourcing strategy, stick to it long enough to measure whether it works before making a change.
Clarify subjective terms

Some concepts and terms integral to your selection criteria may be understood differently within the innovation community. Define subjective terms like “innovation” and “growth stage” as clearly as you can.

In the first cohort selection for SEAD, we evaluated innovators’ growth stage through self-report and through quantitative indicators about reach and finance. However, we found that these indicators were insufficient and that many applicants were in earlier growth stages than they reported. The SEAD team developed a framework with key milestones, which promoted a shared understanding of growth stages.

*Read more about SEAD’s growth stage frameworks in *Decoding the ABCs of Effective Enterprise Acceleration*. 
INNOVATIONS IN HEALTHCARE


Over the past 10 years, IiH has curated a network of 96 innovators operating in more than 90 countries working to expand access to affordable, high-quality healthcare. The IiH team works closely with network members to identify and address challenges to scale, supporting innovation teams as they grow their impact.

This field-oriented approach works together with evidence and policy insights driven by IiH’s sister organization, the Duke Global Health Innovation Center, to support system-wide changes rooted in data on what works.
THE IIH INNOVATOR NETWORK

Since its launch in 2011, Innovations in Healthcare has sourced more than 100 social enterprises that address critical healthcare issues around the world.

The network continues to grow each year through a competitive process designed to identify and select promising innovations with high potential for impact and scale.
The Social Entrepreneurship Accelerator at Duke (SEAD) was a multiyear learning accelerator at Duke University funded by USAID’s Higher Education Solutions Network. SEAD brought together IiH, the Center for the Advancement of Social Entrepreneurship (CASE) at Duke’s Fuqua School of Business, and Investors’ Circle (now Social Venture Circle) to develop an accelerator program focused on healthcare innovations in India and East Africa. The SEAD team selected three cohorts that each went through the three-year accelerator, over a total of five years (2012-2017).

IiH led the sourcing for SEAD, and the lessons learned from that process were incorporated into IiH’s network sourcing strategy and are still applied today.
Thank you to the individuals and organizations who shared their experience and insights with us for this report. These include:

The Pfizer Foundation ✦ Every Woman Every Child Innovation Marketplace ✦ Grand Challenges Canada

In addition, we spoke with leaders at four other organizations who preferred to contribute anonymously.

For more information on the SEAD program, including insights and recommendations for the field, please see:

- Highlights from the Social Entrepreneurship Accelerator at Duke
- Decoding the ABCs of Effective Enterprise Acceleration
- Lessons in Scaling Healthcare Innovation: SEAD East Africa
- More SEAD resources and toolkits available here.

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